APPENDIX X.

CHAPTER VI—ARTICLE 120.

Rules regarding the Payment for Inter-Departmental Supplies.

The following rules are prescribed for regulating the conditions under which one department of the public service may charge another department for services rendered or articles supplied to it, and the procedure to be observed in recording such charges in the public accounts:—

I. For the purpose of inter-departmental payments, the departments of Government are divided into Service departments and Commercial departments, according to the following principles:—

A. *Public Service Departments.*—These are constituted for the discharge of those functions which either (*a*) are inseparable from, and form part of, the idea of Government or (*b*) are necessary to, and form part of, the general conduct of business. Their cost is shown in the public accounts as the cost of the service as a whole and without reference to the details of the service rendered, *e.g.*,—

(*a*) Departments classed under administration—Jails, Police, Public Works, Army.

(*b*) Survey, Government Printing, Stationery.

B. *Quasi-Commercial Departments.*—These are maintained for the purpose of rendering particular services on payment made for the services rendered or for the articles supplied. Their functions are not part of the ordinary idea of Government or administration, *e.g.*,—

Forest, Railways, Electrical Department.

II. A Commercial department should charge any other department for services rendered or articles supplied in the same way as it would charge a member of the public.

III. The charges permitted by rule II are confined to charges for services or supplies which it is the object of the existence of the department to render or to furnish.

NOTE 1.—The Forest Department may charge any other department for vegetable or animal products extracted from a Forest area, and also for mineral products unless such mineral products are extracted by the direct agency of the department under its own supervision and without the intervention of contractors or middlemen for its own use, and not for disposal to the public or other department.

NOTE 2.—The Public Works Department should not charge other departments of Government, rent for temporary occupation, by such departments, of land acquired for irrigation works for which Capital and Revenue Accounts are kept.

IV. Service Departments are not allowed to make charges against other departments for services which fall within the class of duties for which they are constituted (see Rule VI).

Convict labour such as that supplied to the Public Works Department is, however, usually charged for.

V. In exceptional cases, where it has been considered advisable to show in one place the entire cost connected with a service of a commercial department, charges for services rendered by a service department to such commercial department have been allowed, *e.g.*,—

Supply of stationery and printed forms to Railways, both open Line and Construction.

VI. A branch of a service department supplementary to its general duties is sometimes constituted upon commercial principles; and so far as regards the work of this branch, it is allowed to charge as a commercial department, *e.g.*,—

Jail manufacture, cost of Survey maps.

VII. A branch of a department, whether service or commercial, constituted for the subsidiary service of that department, but employed for analogous service of another department, may charge that other department, *e.g.*,—

Workshop of a department.

VIII. (*a*) A regularly organised store branch of a department (whether service or commercial) should charge any other department whose requirements it is made, for the convenience of the public service, to supply, *e.g.*,—

Medical stores to departments other than Medical.

(*b*) In order to prevent undue exaggeration of the public revenue and expenditure, a store department which is systematically employed in supplying the requirements of another department, should take the credits it receives by deduction from its expenditure on stores and not by credit to receipts.

IX. Petty and casual supplies, made for the convenience of the public service, to one department, of stores or articles purchased for or belonging to another department not borne upon a systematic store account should, unless there be objection on the part of the supplying department be furnished without payment.

X. A public department cannot be assessed to pay revenue to Government; but fees and duties leviable by law must be paid by public departments in the same way as by private individuals.

XI. All payments of amounts due by one public department to another irrespective of the amount involved should be made by book transfers except when such transfers do not suit the methods of accounts or of business adopted by the receiving department.

NOTE 1.—The cost of stationery and printed forms supplied to Railway Department as also bills for consumption of water and electric power by that department is payable in cash.

NOTE 2.—All transactions of an industrial concern with other Departments will be in cash.